

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-025-34876
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State A A/C 1
8. Well Number 128
9. OGRID Number 14591
10. Pool name or Wildcat Jalmat, Tnsl, Yates, 7-Rivers, Queen, Grayburg

SUNDRY NOTICES AND REPORTS ON WELLS  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other  **HOBBS OCD**

2. Name of Operator  
Merit Energy Company **JUN 26 2015**

3. Address of Operator  
13727 Noel Rd. Suite 1200, Dallas, TX 75240 **RECEIVED**

4. Well Location  
Unit Letter **K** : **1980** feet from the **S** line and **1830** feet from the **W** line  
Section **13** Township **23S** Range **36E** NMPM County **LEA**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3391

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> ADD NEW FIELD <input checked="" type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

11-6-14 TO 12-10-14  
 CLEAN OUT & TAG @3584'  
 TAG 3625'  
 TAG 3615'  
 PERF @ 3600'-3708' 1 SPF 20 HOLES  
 PERF @ 3498'-3590' 1 SPF 20 HOLES  
 FRAC 5 STAGES WITH 4000 GAL 15%HCL & 404 BBLs 25# LINK GEL

SEE ATTACHED

Spud Date: **11/6/14** Rig Release Date: **12/10/14**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *CK* TITLE Reg. Analyst DATE 6/25/15  
 Type or print name Cristy Kennedy E-mail address: Cristy.Kennedy@meritenergy.com PHONE: 9726285104  
**For State Use Only**

APPROVED BY: *[Signature]* TITLE Petroleum Engineer DATE 07/17/15  
 Conditions of Approval (if any):

JUL 17 2015

*AM*



MERIT ENERGY COMPANY

## Job Daily Summary- State Report

Support Line: 972-628-1700 #1

Report Date:

Well Name: State A AC 1-128

Report #

Accounting ID 14726-01	Original Spud Date	Operator MERIT ENERGY COMPANY	SAP API Number 300253487600	Lease State A A/C 1	Unit Name STATE A A/C 1 #128
Working Interest (%) 95.76	Original KB Elevation (ft)	SAP Latitude	SAP Longitude	Total Depth	KB Adjustment (ft)
Field Name Jalmat	County LEA	State/Province NEW MEXICO	Field Office MIDLAND	Accounting Group Jalmat	Producing Status Producing Oil

Job Category Completion/Workover	Primary Job Type Fracture Treatment	Job Start Date 11/6/2014	Job End Date
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**Daily Operations**

Report Start Date 11/6/2014	Primary Activity miru
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## Operations Summary

Cavaloz rig to location miru pooh w/rds ndwh nubop had paraffin problems gas etc.  
set up to hot oil well AM secure well sion

Report Start Date 11/7/2014	Primary Activity rih bit scrapper
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## Operations Summary

crew to location ru hot oiler hot oil dn tbng pooh tally up tbng pu bit scrapper rih clean out had fill @ 3584  
pooh set up to rih w/baler nu baler rih start baling sand @ 3584 got down to 3625 pull up let pu brakes cool off rih tagged up agin @ 3615 had fill coming in  
could not make progress ran till dark last tag was @ 3615  
3584 1st Tag  
3625 Bale to  
3615 Last tag point  
pooh 13 stds. above 2953 set up to rih w/bit pwr swivel reverse unit  
on monday secure well siowe

Report Start Date 11/10/2014	Primary Activity clean out well
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## Operations Summary

crew to location ooh w/pipe nu 4 3/4 bit 6 collars rih with bha and tbng ( 107 ) tagged up 3602 ru pwr swivel start circulation pumped 200 bls. plus ( casing capacity 78 barrels ) well went on vacuum would not circulate nd power swivel pooh to 2741 80 jts plus collars 6 collars in well  
release reverse unit set up to run foam unit AM  
secure well sion

Report Start Date 11/11/2014	Primary Activity move in foam unit
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## Operations Summary

crew to location start to ru air foamer/ frac tks /etc  
had to wait on equipment  
rih to break circulation @ 2708 broke circulation  
RIH to tag up @ ( 3597 ) could not break circulation  
pull up to 3443 start circulating again would not circulate pull above perfs secure well  
sion

Report Start Date 11/12/2014	Primary Activity try to clean out well
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## Operations Summary

crew to location lines froze up thaw out rih to 2838 tried to circulate could not circulate pull up to  
( 2708 ) start back up broke circulation ran 30 mins rih back to 2838 start circulating again circulated ok rih dn to 2966 culated ok continued going dn tagged  
up 3565 start clean out  
continue cleaning out to PBDT 3762 end of hole circulate clean pooh to top of perfs 2741 perfs @ 2953  
16 stds out secure well sion

Report Start Date 11/13/2014	Primary Activity rih tag up
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## Operations Summary

crews to location had bha @ 2741 80 jts. start compressor get circulation rih to depth @ 3250 96 jts. in brk circulation continue going in to depth verify clean dn  
to pbdt @ 3762 circulate clean pooh rack tbng. lay dn. collars  
set up capitain to perforate well  
secure well sion

Report Start Date 11/14/2014	Primary Activity perforate well
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## Operations Summary

crew to location ru capitain wireline rih w/perf gun first run start perforating  
@ 3600 - 3708 1 SPF 20 holes  
@ 3498 - 3590 1 SPF 20 holes  
pooh w/wl release nu pkr ru hydro testers rih test tbng to 5k land pkr @ 3450 set  
acid trks on location ru acid trks test lines start pumping fw 13 bls pressure to 3240 switch to 15% hcl total 4000 gals. press @ 3240 broke  
3.8 bpm ave rate ave press 938# switch to wtr. pump 19.1 bls- tbng. casing capacity for flush  
ISIP 188 -5 vac. -10 vac. rd acid trk  
ru swab unit rih fluid @ 700 ft above sn depth rih 2nd time hit fluid @ 200 ft swabbed total of 4 bls,  
no gas show no fluid entry si well for build up  
secure well siowe

Report Start Date 11/17/2014	Primary Activity swab well
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## Operations Summary

crew to location rih to swab tbng. had little fluid pooh unset pkr rih reset @ 3650 tried swabbing again  
made dry run sit try one more swab run dry standby 2 hrs. rih check for fluid again did not have any after third attempt secure well sion



MERIT ENERGY COMPANY

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Report #

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Working Interest (%) 95.76	Original KB Elevation (ft)	SAP Latitude	SAP Longitude	Total Depth	KB Adjustment (ft)
Field Name Jalmat	County LEA	State/Province NEW MEXICO	Field Office MIDLAND	Accounting Group Jalmat	Producing Status Producing Oil

### Daily Operations

Report Start Date 11/18/2014	Primary Activity rih w/ pkr set up for frac
<p>Operations Summary</p> <p>Crew to location rih to swab tbng. tried swabbing again tbng was dry rd swab ru to rih w/rds poohw/ rds lay all rds dn unset pkr @ 3650 pooh w/ all tbng lay dn all tbng. 2 3/8 pull off racks bring in 3.5 tbng tally up ru hydro testers rih hydro testing 5 jts tbng. dry slow run finish hydro testing in the morning secure well sion</p>	
Report Start Date 11/19/2014	Primary Activity RIH 3 1/2 pipe rdmo
<p>Operations Summary</p> <p>crew to location finish rih 3.5 tbng tally up ru hydro testers tested to 6000 land frac pkr in well @ 3450 pkr ( 2 7/8 big bore ASI-X ) NU on wellhead for frac 3 1/2 frac stack - insert and 3 1/16 header secure well after preping for frac rd pu set to move AM Ac 2# 9 sion</p>	
Report Start Date 12/3/2014	Primary Activity frac well
<p>Operations Summary</p> <p>frac well</p>	
Report Start Date 12/3/2014	Primary Activity Frac Well
<p>Operations Summary</p> <p>Move in and RU Frac Specialist. Shut in tubing pressure vac. Test lines to 6000# set popoff at 5500#. Took 29.3 bbls to catch pressure. Broke @ 279#. Pump 35,120# 16/30 mesh brown sand and 14720# 16/30 mesh RCS Garnet sand: Pad 208.6 bbls 25# x-Link Gel 15 BPM @ 1608# 1.0# Stage 74 bbls 25# x-Link Gel 14.8 BPM @ 1561# with 2975# 16/30 Brown sand 2.0# Stage 76.6 bbls 25# x-Link Gel 14.6 BPM @ 1489# with 5911# 16/30 Brown sand 3.0# Stage 82 bbls 25# x-Link Gel 14.4 BPM @ 1311# with 9139# 16/30 Brown sand 4.0# Stage 99 bbls 25# x-Link Gel 11340 BPM @ 1345# with 17095# 16/30 Brown sand 5.0# Stage 73 bbls 25# x-Link Gel 12.6 BPM @ 1130# with 14720# 16/30 RCS Garnet Flush with 31 bbls. ISIP 701# 5 min 659# 10 min 647# 15 min 635# FG 0.62 666 Water to recover.</p>	
Report Start Date 12/5/2014	Primary Activity pooh w 3 1/2
<p>Operations Summary</p> <p>miru on well nd frac valve and misc. equipment pooh w 3 1/2 pipe pu production string 2 3/8 j55 ru hydro testers test to 5000 rih tallying pipe land prod. string tagged for fill @ 3696 115 jts pull up 2 jts set depth secure well siowe</p>	
Report Start Date 12/8/2014	Primary Activity clean out fill
<p>Operations Summary</p> <p>crew to loaction pooh hook up gas buster- mi pwr swivel- foam unit- nu 4 3/4 bit collars RIH W/ 4-3/4" bit , bit sub , 6 - 3.5" DC , X over. tallied up 109 jts. Tagged @ 3694'. POOH To 2590'. Wait on foam air unit.foam- unit on location @400 ru all lines set up to rih clean out AM secure well sion</p>	
Report Start Date 12/9/2014	Primary Activity clean out fill
<p>Operations Summary</p> <p>Crew to loc. Well was dead. RU to break circ @ 2525'. Broke circ, RIH W/ 16 JTS. @ 3039' RU To break circ. Blew well dn RIH W/ 21 Jts. Pick up power SVL &amp; 4' Float valve tag fill @ 3694'. Circ clean to 3745'. Pick up 1 jt. Circ hole clean @ TD 3762'. RD PWR SVL. POOH W/ TBG , Lay dn DC &amp; bit. RU Hydrostatic Tester test tbng @ 5k psi. Ran 114 jts. RD Testers. Secure well SDFN.</p>	
Report Start Date 12/10/2014	Primary Activity rih w/ pump rd mo
<p>Operations Summary</p> <p>Crew to loc. Blew well dn. Lay dn 5 jts. ND BOP , NU WH. 109 JTS SN @ 3496' Perf sub &amp; M.J. EOT @ 3532'. RIH W/ 12' GA , 2" X 1.5" X 12' RWTC W/ Brass pull tube pump &amp; 2' lift sub. 4- 1.25" k-bar, 134 - 3/4" rods. Subs 1-2', 1-4', 1-6', 1-8' 3/4" PR 16' X 1.25". Hung well on . RU pump truck Load tbng w/ 12 bbls. Water w/ bio-cide. Long stroke pump to 500psi. RD Pump truck. rdumpo</p>	